

It is due to the Directors of the penitentiary to state that the return of invalid convicts to their charge at Raleigh, thereby making the penitentiary a general hospital for the laborers of these two roads, relieved them of some expense, which was necessarily imposed upon the Board at Raleigh. The Board is without any official report as to the financial condition of the Western North Carolina Railroad.

This road having been sold by special act of the Legislature, the purchasers took possession of the same on May 28th, 1880. In conformity with the contract of sale between the State of North Carolina and the purchasers, five hundred convicts have been delivered to the new company for the construction and extension of the work.

With the information now in possession of the Board, it is believed that all the conditions of the contract have, up to this date, been complied with.

The Cape Fear & Yadkin Valley Railroad has  $46\frac{1}{2}$  miles in operation between Fayetteville and the Gulf, the present terminus of the road. The graduation and masonry have been completed from the Gulf to the city of Greensboro,  $51\frac{3}{8}$  miles, and, with the exception of two short bridges not yet completed, the whole line to Greensboro is now ready for the superstructure. Fifteen miles of graduation have also been completed west of Greensboro in the direction of Mt. Airy.

This work has all been completed since the last regular session of the Legislature. The value of the work done, as returned under the Chief Engineer's estimate, up to January 1st, 1881, is \$68,488.15. The number of actual working days is 114,523. This makes a return of 59 cents for each hand per day, or a net profit of about 24 cents per hand per day. These estimates are based upon average contract prices.

In this corporation the State owns 5,500 shares of stock of the par value of \$100 each, making the par value \$550,000. Other parties own 1,670 shares, par value of which would